

Second Wind

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Hearing on Certain Expiring Tax Provisions

Second Wind was founded in 1981 by Walter Sass and Ken Cohn, Electrical and Mechanical engineers that formed Second Wind in Somerville, Massachusetts. Their mission was to address the pressing need in the Wind Industry to measure the wind in support of wind energy development and operations.

For 25 years they brought innovative technology and products to the market in the form of wind data loggers and wind farm management systems. In 2006, they had a breakthrough idea to use sound waves in a ground based system to measure the wind (Triton Sonic Wind Profiler) at heights where modern wind turbines were operating. Private Equity and a professional management team followed and the company grew dramatically from 2008-2010, earning ranking in the Inc. 5000, doubling the employee base and opening a 24,000 square foot manufacturing facility in Newton, Massachusetts.

The company fostered a uniquely American culture:

- Second Wind pays full health care costs for all employees
- We are dedicated to training tradespeople: plumbers, carpenters and electricians to produce advanced technological products that we export to over 40 countries with significant business in China and India.
- 95% of the component cost of the Triton Sonic Wind Profiler are sourced from American manufacturers

During 2010, the Triton business doubled with headcount reaching 65 and a 5 year plan to hire over 100 more team members in manufacturing, field customer support and sales.

As 2011 began, the largest US Wind Developers quietly assessed the pending expiration of the Production Tax Credit at the end of 2012 and within a few months ceased virtually all new wind development activities. Second Wind's products and services are leading indicators of wind development and job creation and so our full order book suffered delays, and then mass cancellations.

Second Wind responded in the only way we could. We shifted our efforts to international sales and in June 2011, and were forced to reduce our headcount by 30%. Our current situation is that we forecast nearly no new development in 2012 and beyond in the US and we are faced with two potential scenarios:

- Congress rapidly passes the Production Tax Credit. In this case we will hire back 20 employees this year and possibly more depending on the recovery rate of the Wind Industry
- Congress extends the Production Tax Credit in the final hour in late December, 2012. We will try to maintain our headcount, eliminate our research in new innovations and applications for our technology. We will be forced to explore strategic alternatives for the company, including a sale of our Intellectual property and business. The most obvious buyer would be a large Manufacturer in an emerging market such as India or China.

We are grateful for the past support of the US Government for the wind energy industry, however, the lack of long term support has impaired our ability to create well paid, American manufacturing jobs.

Second Wind is the tip of the spear. I've had discussions with dozens of American wind manufacturing CEO's and the consequences of not acting quickly are clear. The entire industry we've build in the United States, supporting tens of thousands of jobs will collapse with a speed unseen in the modern history of the industrial sector.

Please act quickly to support the Production Tax Credit.

Sincerely,

Larry Letteney

CEO Second Wind